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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 006552

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TAGS: [PGOV](#) [PTER](#) [PREL](#) [KWBG](#) [KPAL](#) [IS ELECTIONS](#) [GOI](#) [INTERNAL](#)

SUBJECT: AMIR PERETZ: NOT YET READY FOR PRIME TIME?

Classified By: Deputy Chief of Mission Gene A. Cretz for reasons 1.4 (b ,d).

1. (C) Summary: Newly elected Labor Party Chairman Amir Peretz told DAS Danin November 18 that he will focus his upcoming election campaign on socio-economic issues, rather than on peace and security. He stressed the importance of the Labor Party serving as a real opposition party and added that by November 20, Labor would quit the government. While he said he supports disengagement, Peretz stressed that Israel should work with a strong Palestinian partner on any agreement concerning the West Bank. Peretz praised the Secretary for having pushed the GOI and the Palestinian

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Authority (PA) to close an agreement during her recent visit.

When queried, Peretz did not address the details of the roadmap, but commented only that "there are many roads to peace." He also acknowledged that he does not have enough information to take a position on whether Hamas should participate in the PA elections. He did not rule out joining Prime Minister Sharon if the latter left Likud to form a third party, but was unwilling to accept a number two slot in such a new grouping. (Comment: Peretz came across as a man with broad visions, but shallow on detail. He discussed security, terrorism, and peace with the Palestinians through the prism of economics. He was not well-versed on the roadmap, or on other security or terrorism issues, including on Hamas. It is clear that Peretz will have to bone up on these issues when up against the likes of security-maven Sharon. End comment.) End Summary.

Peretz: My Victory Strengthened Israeli Democracy

2. (C) A relaxed and confident Amir Peretz -- ever wearing a blue shirt without a tie -- met with DAS Danin and DCM Cretz November 18 in the new Labor Party headquarters, located in a poor section of Tel Aviv. A visiting AIPAC delegation was just leaving his office. New advisor and former consultant for Ben-Or Communications Oriella Ben-Zvi (originally from the U.S., who has very close ties to the Israeli-Arab community), Histadrut international relations advisor Avital Shapiro, and Haigga Alon joined Peretz in the meeting. DCM and Poloffs accompanied DAS Danin. Peretz spoke in basic conversational English, turning frequently to his staff for help in translating more complex concepts. Peretz began the discussion by saying that the election campaign for prime minister, in his mind, has already started, even though Prime Minister Sharon has not set an election date. He noted that while he prefers a March date, he told Sharon in their November 17 meeting that he would accept a date amenable to Sharon -- from the end of February to the end of March. Stressing the important role that the opposition plays in a healthy democracy, Peretz said repeatedly that the Labor Party once again has become a real opposition party. He added that Labor will leave the coalition on Sunday, November 20. The Labor Party could not advocate changing the government and still remain in the government, Peretz stressed. Peretz asserted that his victory as Labor Party Chairman strengthened Israeli democracy by placing Labor firmly in the opposition.

3. (C) In response to the DCM's query as to why Peretz believes he won the Labor Party primaries, Peretz, searching momentarily for the right words, said that Labor voters "did not want to be left in the freezer." (Comment: Peretz likely meant that he believes Labor voters were ready for some type of change, and that they were tired of the status quo under octogenarian Shimon Peres. End comment.) He commented that maybe a Peres victory would have been better for the USG since Peres would have preserved Sharon's government. At that point, Peretz advisor Ben-Zvi added quickly that the Peretz camp "views (the Israeli) relationship with the U.S. as critical."

Possible Coalitions

4. (C) In response to DCM's query whether Peretz would consider joining a coalition with a new party formed by Sharon, Peretz stressed the need for an opposition to sustain

Israeli democracy, but did not directly rule out such a possibility. "Either I lead (the government)," Peretz underscored, "or I lead the opposition." He added that he knows this is not a popular approach, and that it might even cost Labor several Knesset seats, but added that it serves to strengthen Labor's credibility. Peretz advisor Alon added that Peretz "will bring accountability back to politics."

Peretz Campaign To Focus on Economy

15. (C) Peretz asserted that the upcoming election campaign would, for the first time in Israel's history, focus on socio-economic issues rather than on security issues. Peace and security issues, Peretz said, should be addressed in a professional and logical manner, not within the heat and emotions of an election campaign. "The (Israeli) people are ready to be a normal country," Peretz underlined, "and to vote on economic issues." To back up his claim, Peretz said that in a recent poll, 48% of those surveyed said that in the next elections Israelis will vote based on economic and social issues, with 38% saying they will vote on security issues. Claiming that 40% of Israeli workers do not earn enough to pay taxes, Peretz emphasized that the critical issue will be the gap between rich and poor.

Security and Terror

16. (C) "I am a (man of peace) more than any other," Peretz remarked. He noted that he had been mayor of Sderot, where "all the Qassam missiles fall," and that he lived there for 50 years. He underlined that, despite the security situation in Sderot, "when you ask the people (of Sderot) what they fear most, missiles or unemployment, they will say unemployment." Peretz said that as far back as 1984, when he became active in Labor, he advocated for the creation of an independent Palestinian state. "Time is working against us," Peretz asserted, noting that by waiting so long to build a Palestinian state, a new generation of Palestinians had been raised "who only know Israel through guns." Peretz said that the average Israeli feels that the peace being sought today is not for them, but rather "the product for rich Israelis." Peretz said he is trying to show people that if peace is achieved, their lives will be better.

17. (C) Peretz highlighted that the disengagement plan was very important and that he supported it. "The Bush Administration should know," Peretz asserted, "that disengagement was a security step, not a peace measure." He said that Israelis do not believe that disengagement brought any change in the relationship between Israel and the Palestinians. He asserted, however, that while disengagement could work in Gaza or in Lebanon, where it is a matter of "only" returning to the internationally recognized frontiers, when addressing the West Bank, dealing with a Palestinian partner is essential. He said that he "doesn't buy" the argument of the need to wait until the Palestinians are democratic before engaging with them. "If a country like Saudi Arabia came to Israel to talk about peace, would we turn them away (because they are not democratic)?" Peretz asked. Danin stressed that it was important for Peretz to understand that the U.S. is committed to the promotion of democracy throughout the region. Peretz called on the "free world" to address world poverty, which he asserted is the "greenhouse" of terrorism.

18. (C) In response to Danin's query about the Israeli response if the PA does not fight terror, Peretz responded that he does not believe the PA will neglect fighting terror. Peretz asserted that Palestinian terrorism is also against PA President Mahmud Abbas. In response to the DCM's query about how Peretz will address security issues in his campaign, Peretz downplayed the importance of addressing these issues, commenting that "Israel is full of generals who can take care of security." He characterized his generation -- those in their 40s and 50s -- as savvy about security, having served in the military. He stressed that people rather want to hear about the link between peace and their quality of life.

On U.S. Efforts and the Roadmap

19. (C) Turning to the Secretary's recent visit to Israel, Peretz underlined that he views the Secretary's achievement in convincing the GOI and the PA to close an agreement very important. He praised the Secretary for "tying together the ends" and having provided the necessary push to both sides. When asked about his views on the roadmap, Peretz commented that "there are many roads to peace," and acknowledged that he "cannot comment on the details of the roadmap." He stressed the importance that Israel have a strong partner in

the peace process and that "time is working against us." Peretz added that as a "negotiator" he believes it is a mistake to conclude an agreement wherein your partner loses everything. In his role as labor union Histadrut negotiator, he always made sure that both sides were left with something of what they wanted. It is important, Peretz said, to show the Palestinians that they stand to lose by not entering into an agreement with Israel.

Hammas

10. (C) In response to Danin's query as to Peretz's position on Hamas' participation in the January 2006 Palestinian Legislative Council elections, Peretz acknowledged that he does not have enough information on the issue to respond. He added, however, that, in the end, the Israeli people will have to decide how they view Hamas participation in any future PA government. The argument is split, Peretz said, between those who argue that Hamas participation in the political process could make Hamas more moderate and those who argue that it could make the PA more extreme. "I don't know the answer to this question," Peretz repeated, "but (this) is a very important issue," he said. He said that the Israeli people could view Hamas participation in the PA government as a "get" (divorce) between the Israelis and the Palestinians. Hamas participation could cost Abbas his legitimacy among Israelis, Peretz said.

Comment

11. (C) Peretz, clearly enjoying his new status as Labor's new leader, is very personable, warm, and a relaxed interlocutor. He clearly enjoyed the meeting, and did not seem uncomfortable exercising his English. He comes across as an advocate for the blue-collar sector and the average man-in-the-street, who speaks their language and knows what they really want. Peretz is clearly more comfortable talking about the socio-economic faults in Israel, rather than the details of security issues and terrorism. He clearly has a significant learning curve before he can be a real contender against Sharon when Israelis ask the tough questions on the PA, Hamas, and terrorism. He had ample opportunity to expand on security issues in Hebrew, but was either unable or unwilling to do so.

12. (U) DAS Danin cleared this message.

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JONES